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July 7, 2008

Ms. Sonja A. Anderson
Power Marketing Manager, Sierra Nevada Region
Western Area Power Administration
114 Parkshore Drive
Folsom, CA 95630-4710
sanderso@wapa.gov

Dear Ms. Anderson:

Comments of City of Lodi Electric Utility Re Western's
Notice of Proposed 2015 Resource Pool Size and Revised Eligibility Criteria
Published May 5, 2008, at 73 FR 24592

In 2010, the City of Lodi Electric Utility (LEU) will celebrate 100 years of providing electric service to our residents and businesses. Only beginning in 1982, did LEU receive a small allocation of CVP power out of the 102 MW provided in the Santa Clara Settlement that was achieved through the vigorous efforts of Lodi and others. Since 2005, LEU has had an allocation of 0.49049% of Western Base Resource. In the LEU Fiscal Year ending June 2008, that allocation provided LEU with approximately 11,900 MWh, or 2.5% of the energy we needed to serve our customers. Lodi has been active in acquiring resources over the last 30 years through joint action with others, with an emphasis on renewable hydro and geothermal resources. However, in the days before joint action agencies, Lodi was unable to acquire any of the most affordable hydro sites when they were available, unlike larger utilities who have access to their own hydropower that is now free of its original debt.

LEU has great appreciation for the work of Western and its staff. Our Western allocation, tiny as it is, is precious to our publicly owned utility. In recognition of the above, we submit the following comments.

We appreciate and support the efforts of Western "to provide for a 2015 Resource Pool sufficient to promote widespread use of Federal power." We believe it is in keeping with Western's mission to spread its resources toward those preference utilities that have received the least from Western to date, to assist those utilities to compete on a (more) level playing field.

In the years leading up to 2004, Western, with the active involvement of its customers and prospective customers developed an extensive Power Marketing Plan that

successfully balanced many competing interests (though LEU, like all other parties, would have wished for more). Western is now proposing to upset that delicate balance by eliminating from the criteria in the 2015 Resource Pool Eligibility Criteria that "Existing Customers may apply for a resource pool allocation if their Extension CRD, set forth in Appendix A [of the Marketing Plan (in) Federal Register 64 FR 34417] is not more than 15 percent of their peak load in the calendar year prior to the Call for Applications, and not more than 10 MW".

Western presents two reasons:

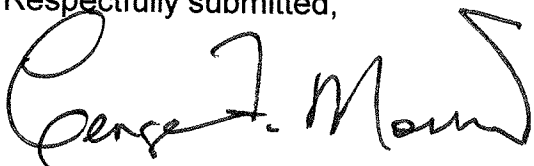
1. "Western believes that this criterion is too restrictive to ensure full subscription of its resources." In this first reason, Western is mistaken. Even if LEU alone applied for the 2015 Resource Pool (highly unlikely), the 2015 Resource Pool would be fully subscribed and beneficially used.
2. "Further, the 2015 Resource Pool is based on a percentage of the Base Resource. The 2005 Resource Pool was determined from an Extension CRD which is no longer applicable." LEU believes that this second argument is misplaced in two ways. First of all, the Extension CRD is a measure of benefits that a customer received from Western in the past, and could be a way of balancing benefits in the future, giving previously underserved customers a better turn in the future. Secondly, there is a high correlation between the Extension CRDs and current Base Resource percentages, so one could convert Extension CRDs to an equivalent Base Resource percentage and convert peak load shares to energy shares and have an equivalent outcome.

For the reasons above, LEU strongly recommends that Western retain in principle, and modify rather than delete, the criterion that has been proposed for deletion. This criterion promotes widespread use, helps level the playing field, and assists struggling preference utilities to continue to survive. Western could change the 10 MW Extension CRD to a rough equivalent, such as 1% of Base Resource Percentage and change 15% of peak load to 15% of annual average system energy load.

In the event that Western is unable to fully subscribe the 2015 resource pool with the modified criterion, it should still give first allocation priority to those customers meeting the modified criterion.

If you have any questions on these comments, please contact me at the LEU address in the letterhead, or gmorrow@lodielectric.com, or 209-333-6828. Thank you.

Respectfully submitted,



George F. Morrow
Electric Utility Director

cc: Matt Foskett, Nannette Engelbrite, Jerry Toenyes